

SEMINOLE COUNTY GOVERNMENT AGENDA MEMORANDUM

SUBJECT: Economic Incentives for Lenders First Choice Agency, Inc

DEPARTMENT: Economic Development **DIVISION:** Economic Development

AUTHORIZED BY: Don Fisher **CONTACT:** William J. McDermott **EXT.** 7132

Agenda Date 10/26/04 **Regular** ☒ **Consent** ☐ **Work Session** ☐ **Briefing** ☐
Public Hearing – 1:30 ☐ **Public Hearing – 7:00** ☐

MOTION/RECOMMENDATION:

Approve and authorize the Chairman to execute a resolution recognizing Lenders First Choice Agency, Inc as a "Qualified Targeted Industry" (QTI).

BACKGROUND:

Lenders First Choice Agency, Inc (LFC) currently operates as a title insurance agency in 43 states. LFC utilizes an innovative business model that focuses exclusively on lenders' title insurance business in connection with refinance and home equity loan lenders' business. Currently, all title transactions for the 43 states are performed from three offices in Simi Valley and Stockton in California and Frisco, Texas. LFC is in the process of identifying a fourth office location and have been concentrating their site search in Florida and Georgia. The proposed site in Florida is located at One Protegrity Place, 260 Wekevia Springs Road, Longwood.

LCF plans to lease 24,530 square feet of class A office space and will create 225 new jobs, over a three year period, with an average salary of \$43,000. The anticipated capital investment associated with this project is \$225,000 for building renovations and \$1,336,000 for new equipment. Additionally, LCF will lease the facility for an initial term of 7 years, with an option for an additional 5 years, for a total value of \$2,987,000 and will pay \$209,000 in sales tax.

The Board of County Commissioners is being asked to consider a Qualified Target Industry Incentive (QTI) Award for LFC. The total award is \$675,000. In accordance with the QTI program, local governments are required to provide a 20% match, which in this case would be \$135,000 for Seminole County. Funds are available in the JGI Trust Fund to cover this request.

The project is consistent with stated economic development priorities of Seminole County in several respects;

Reviewed by:
 Co Atty: AM
 DFS: BM
 Other: _____
 DCM: AT
 CM: KG

File No. RED01

- The job creation is consistent with the development of high value added job opportunities within the county as stated in the JGI Ordinance, Section 1, (b).
- The project location and industry sector is consistent with the stated objectives of Seminole County's Economic Development Strategy, and the Metro Orlando EDC and Enterprise Florida Economic Development goals.

Attachment: QTI Resolution
 Calculation of Local Phased QTI Refunds (A&B)
 Return on Investment Summary

- The job creation is consistent with the development of high value added job opportunities within the county as stated in the JGI Ordinance, Section 1, (b).
- The project location and industry sector is consistent with the stated objectives of Seminole County's Economic Development Strategy, and the Metro Orlando EDC and Enterprise Florida Economic Development goals.

Attachment: QTI Resolution
Calculation of Local Phased QTI Refunds (A&B)
Return on Investment Summary

QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM

RESOLUTION NO. _____

A RESOLUTION BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA FINDING THAT LENDERS FIRST CHOICE AGENCY, BE APPROVED AS A QUALIFIED APPLICANT PURSUANT TO S.288.106, FLORIDA STATUTES; AND PROVIDING AN APPROPRIATION OF \$135,000.00 AS LOCAL PARTICIPATION IN THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2005/06 THROUGH 2009/10, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA as follows:

WHEREAS, the business under consideration is a national title and settlement service operation, *specifically, LENDERS FIRST CHOICE AGENCY*; and

WHEREAS, *LENDERS FIRST CHOICE AGENCY* is currently headquartered at 3850 Royal Avenue Simi Valley, California ; and

WHEREAS, *LENDERS FIRST CHOICE AGENCY* intends to expand their operations to an East Coast location and have identified a site in Seminole County located at One Protegrity Place 260 Wekiva Springs Road. The company intends to lease 24,530 square feet of "Class A" office space and anticipates capital investment to include \$225,000.00 for renovations and \$1,336,000.00 for new equipment; the primary lease term is for a 7 year period with a 5 year renewal; and

WHEREAS, *LENDERS FIRST CHOICE AGENCY* will conservatively create 225 new jobs over a three year period beginning in 2005. These jobs will be professional and very specialized with an average salary of \$43,000.00; and

WHEREAS, It is acknowledged that local participation, of which Seminole County will provide a 20% match for a total not to exceed \$135,000.00, is required and understood;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA that the Board hereby recommends LENDERS

FIRST CHOICE AGENCY be approved as a Qualified Target Industry Business pursuant to S.288-106, Florida Statutes.

BE IT FURTHER RESOLVED that the necessary commitment of local financial support for the Qualified Target industry Business for the Qualified Target Industry Tax Refund Program exists in an amount not to exceed \$135,000.00, that this amount will be paid to the Florida Economic Development Trust Fund as required, in accordance with the Office of Tourism, Trade and Economic Development guidelines, with the stipulation that these funds are intended to represent the "local participation" pursuant to S. 288-106, Florida Statutes.

This resolution shall take effect immediately upon its adoption.

DULY ADOPTED BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA THIS 26th DAY OF OCTOBER, 2004.

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA**

Chairman

Clerk

Total Refund / Exhibit A Calculation of Phased QTI Refunds

Potential Per Job Award Amt.

\$ 3,000.00

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total Jobs
Jobs	75	125	25				225
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009		

Potential Total QTI Refunds

	Yr. 1-2006	Yr. 2-'07	Yr. 3-'08	Yr. 4-'09	Yr. 5'10	Yr. 6-'11	Yr. 7-'12	Yr. 8-'13	Yr. 9
Phase 1	56,250	56,250	56,250	56,250					
Phase 2		93,750	93,750	93,750	93,750				
Phase 3			18,750	18,750	18,750	18,750			
Phase 4				-	-	-	-		
Phase 5					-	-	-	-	
Phase 6						-	-	-	-
Total:	56,250	150,000	168,750	168,750	112,500	18,750	-	-	-
State:	45,000	120,000	135,000	135,000	90,000	15,000	-	-	-
Local:	11,250	30,000	33,750	33,750	22,500	3,750	-	-	-
Total QTI: \$		675,000	State: \$		540,000	Local: \$ 135,000			

Local Financial Support / Exhibit B
Calculation of Phased QTI Refunds

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total Jobs	
Jobs	75	125	25	0	0	0	225	
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012

QTI Local Financial Support (LFS)

	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9
Phase 1	11,250	11,250	11,250	11,250					
Phase 2		18,750	18,750	18,750	18,750				
Phase 3			3,750	3,750	3,750	3,750			
Phase 4				-	-	-	-	-	-
Phase 5					-	-	-	-	-
Phase 6						-	-	-	-
Local:	11,250	30,000	33,750	33,750	22,500	3,750	-	-	-
Total QTI LFS: \$		<u>135,000</u>							

Name of Company	Lenders First Choice Agency, Inc
Taxable Value/Capital Investment	\$1,561,000
Company Information:	Title & Settlement Services Processing Center
Proposed Location:	One Protegrity Place 260 Wekiva Springs Road
Incentive Award	\$ 135,000

Taxing Entities (Ad Valorem):	*Rate	Tax (\$)
Countywide/General Fund	0.0047179	\$ 7,365
Countywide/Transportation	0.0002810	\$ 439
Countywide/Debt Service	0.0001721	\$ 269
St. Johns River Water Management District	0.0004620	\$ 721
School Board	0.0085120	\$ 13,287
Total		\$ 22,080

*Note: Based on 2003 millage rates.

County Only	Return of Ad Valorem
Seminole County/General Fund Only	18.3 Years
Seminole County/All BCC Millages	16.7 Years

All countywide	Return of Ad Valorem
Countywide	6.1 Years